

§ 1427.106

7 CFR Ch. XIV (1–1–06 Edition)

§ 1427.106 Form of payment.

Payments under this subpart shall be made available in the form of commodity certificates issued under part 1401 of this chapter, or in cash, at the option of the program participant.

§ 1427.107 Payment rate.

(a) Beginning July 18, 1996, and ending July 31, 2008, the payment rate for purposes of calculating payments made under this subpart shall be determined as follows for exporters for cotton shipped on or after July 18, 1996, and for domestic users:

(1) Beginning the Friday following August 1 and ending the week in which the Northern Europe current (NEC) price, the Northern Europe forward (NEF) price, the U.S. Northern Europe current (USNEC) price, and the U.S. Northern Europe forward (USNEF) price first become available, the payment rate shall be:

(i) Beginning August 1, 1991, and ending May 14, 2002, the difference between the U.S. Northern Europe (USNE) price, minus 1.25 cents per pound, and the Northern Europe (NE) price;

(ii) Beginning May 15, 2002, and ending July 31, 2006, the difference between the USNE price and the NE price; and

(iii) Beginning August 1, 2006, and ending July 31, 2008, the difference between the USNE price, minus 1.25 cent per pound, and the NE price in the fourth week of a consecutive 4-week period in which the USNE price exceeded the NE price each week by:

(iv) During the period beginning August 1, 1991, and ending May 14, 2002, more than 1.25 cents per pound;

(v) During the period beginning May 15, 2002, and ending July 31, 2006, more than zero; and

(vi) During the period beginning August 1, 2006 and ending July 31, 2008, more than 1.25 cents per pound; and the adjusted work price (AWP) did not exceed the loan level for upland cotton by more than 134 percent in any week of the 4-week period; and

(2) Beginning the Friday through Thursday week after the week in which the NEC, the NEF, the USNEC, and the USNEF prices first become available and ending the Thursday following July 31, the payment rate shall be:

(i) Beginning August 1, 1991, and ending May 14, 2002, the difference between the USNEC price, minus 1.25 cents per pound, and the NEC price;

(ii) Beginning May 15, 2002, and ending July 31, 2006, the difference between the USNEC price and the NEC price; and

(iii) Beginning August 1, 2006, and ending July 31, 2008, the difference between the USNEC price, minus 1.25 cents per pound, and the NEC price in the fourth week of a consecutive 4-week period in which the USNEC price exceeded the NEC price each week by:

(iv) During the period beginning August 1, 1991, and ending May 14, 2002, more than 1.25 cents per pound;

(v) During the period beginning May 15, 2002, and ending July 31, 2006, more than zero; and

(vi) During the period beginning August 1, 2006 and ending July 31, 2008, more than 1.25 cents per pound; and the adjusted world price (AWP) did not exceed the loan level for upland cotton by more than 134 percent in any week of the 4-week period.

(3) If either or both the USNEC price and the NEC price are not available, the payment rate may be:

(i) Beginning August 1, 1991, and ending May 14, 2002, the difference between the USNEF price, minus 1.25 cents per pound, and the NEF price;

(ii) Beginning May 15, 2002, and ending July 31, 2006, the difference between the USNEF price and the NEF price; and

(iii) Beginning August 1, 2006, and ending July 31, 2008, the difference between the USNEF price, minus 1.25 cents per pound, and the NEF price.

(b) Whenever a 4-week period under paragraph (a) of this section contains a combination of NE, NEC, and NEF prices only for one to three weeks, such as occurs in the spring when the NE price is succeeded by the NEC and the NEF prices (Spring transition), and at the start of a new marketing year when the NEC and the NEF prices are succeeded by the NE price (marketing year transition), under paragraphs (a)(1) and (a)(2) of this section, during both the spring transition and the marketing year transition periods, to the extent practicable, the NEC and USNEC prices in combination with the NE and the USNE prices shall be taken into